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UNIDO GLOBAL ENVIRONMENT FACILITY ACTIVITIES

Report by the Director-General

Reports on the progress made to implement activities outlined in GC.8/Res.2 and on the GEF Council decision to grant UNIDO expanded opportunities.

Introduction

1. The supporting statement for the supplementary item on UNIDO Global Environment Facility (GEF) activities is contained in the annotated provisional agenda (IDB.23/1/Add.1). The present document updates the information provided to the Board at its twenty-second session in document IDB.22/4.

I. GEF COUNCIL DECISION

2. At its meeting held from 9 to 11 May 2000, the GEF Council approved the proposal of the Chairman, Mr. M. El-Ashry, to expand opportunities for executing agencies beyond the regional development banks and include UNIDO and FAO in that category. Following the practice with respect to executing agencies that had been granted this enhanced status earlier, GEF will take a number of steps to quick-start its working relationship with UNIDO. This will be done mainly through an exchange of visits, familiarization seminars and agreements to facilitate UNIDO's direct access to GEF project preparation funds. The following paragraphs provide illustrative examples of the efforts of both UNIDO and GEF to pave the way for future cooperation.

II. ENHANCING POTENTIAL FOR UNIDO COOPERATION

3. A number of GEF-related missions have taken place at various levels in recent months. In September 2000, the Director-General and the Managing Director of the Sectoral Support and Environmental Sustainability Division visited the GEF Secretariat in Washington and met with the GEF Chief Executive Officer, Mr. El-Ashry. The main purpose was to discuss ways to expedite UNIDO's participation in GEF activities, following the decision of the GEF Council to grant UNIDO expanded opportunities.

4. Earlier missions covered the United States of America Department of State, UNDP, the World Bank and the GEF Secretariat. Since the twenty-second session of the Board, the formulation and implementation of GEF-related projects was the subject of discussions with UNDP and GEF in a number of developing countries. Visits to major donor countries (Denmark, France, Germany, Italy, United Kingdom) promoted UNIDO involvement in GEF-funded projects. Visits were also undertaken to cover China, Cuba, India, Kenya, Nigeria, Venezuela and Viet Nam.

5. Participation in selected conferences also served to enhance UNIDO's visibility as a potential partner for

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execution of GEF projects. In June 2000 UNIDO took part in the Black Sea/Danube Basin stocktaking meeting in Istanbul, and will also participate in the first GEF Biennial International Waters Conference in Budapest in October 2000.

6. Within the framework of the ninth session of the Commission on Sustainable Development preparatory work, both at the Inter-agency Committee on Sustainable Development meeting and at the expert group meeting on energy and natural resources, contacts were made with GEF representatives to discuss possibilities for increased cooperation. In the area of climate change, a UNIDO delegation attended the thirteenth session of the United Nations Framework Convention on Climate Change Subsidiary Bodies which took place in Lyon, France, in September 2000.

7. Recognizing that familiarization is a precondition to successful project development and implementation, and in line with the approach followed for the regional development banks, a number of steps will familiarize staff of both GEF and UNIDO with each other's institutions and policies, including agreements on UNIDO's more active participation in GEF activities. At the regional level, and in line with the UNIDO priority for Africa, a first awareness workshop for UNIDO Representatives on a regional basis will take place in October in Lagos, Nigeria. All UNIDO Representatives covering African countries and a number of GEF Focal Points will be invited to attend. The workshop will sensitize participants to UNIDO's competencies and approaches, thereby enabling them to better appreciate the technical capabilities of the Organization.

8. Parallel to the workshop, a number of Headquarters staff will take part in the two-day GEF staff familiarization seminar to take place in November at the GEF Secretariat in Washington. Participants and GEF staff will work through a mixture of formal presentations, case studies and discussions covering key policies, programmes, procedures and criteria. For the first time, UNIDO has been invited to a GEF Council meeting in its capacity as executing agency with expanded opportunities, and will participate at the senior level in the meeting to be held in Washington, D.C., from 1 to 3 November 2000.

III. PROJECTS

9. Enhancing the potential for UNIDO to be included in project execution, senior staff involved in project formulation visited Chile for the Humboldt Current Large Marine Ecosystem (LME), Cuba for the Gulf of Mexico LME and Honduras for the Pacific Central America Coastal LME, including Gulf of Fonseca projects.

10. In the area of persistent organic pollutants (POPs), a project formulation mission to discuss with UNDP the project "Demonstration of viability and removal of barriers that impede adoption and effective implementation of available, non-combustion technologies for destroying persistent organic pollutants" was undertaken in May 2000. In addition, discussions were advanced with the Danish Government and DANIDA on cooperation and co-financing of POPs projects, bearing in mind the priority geographical focus on Africa and South-East Asia. The following projects and programmes were identified for joint formulation:

- TEST (transfer of environmentally sound technology) approach to POPs and heavy metals;
- Research, development and industrial scale-up of environmentally friendly pesticides;
- Development and production of neem products as environmentally friendly pesticides.

11. Project formulation activities have also advanced in four energy-related projects:

- Industrial boiler efficiency, India;
- Co-generation in cement industry, India;
- Industrial energy efficiency in selected industrial enterprises, Cuba;
- Sustainable energy options for the Island of Youth, Cuba.

12. UNIDO is to play a major role in the project on preparation of a strategic action programme (SAP) for the Dnieper River Basin and development of SAP implementation mechanisms. UNIDO will be the lead agency for two of the largest components of the $1.2 million project, for which implementation has started with preparation of the detailed work plan in Belarus, Russian Federation and Ukraine and arrangements for the stocktaking meeting to be held in November. The management of water quality in the Basin will affect not only the quality of life of the tens of millions of people who rely on the river as a source of water, but will also reduce pollution and excess nutrients' contribution to pollution.

13. Aiming at improving food security, water quality and environmental security, and thereby contributing to the eradication of poverty and hunger for 16 West African countries, a $146,000 project to develop a strategic action plan for the Guinea Current large marine ecosystem has been approved. Implementation has commenced by fielding the regional coordinator, who will organize a stocktaking meeting for the participating countries and all parties involved to be held in December.

IV. ACTION REQUIRED OF THE BOARD

14. The Board may wish to take note of the information provided in the present document.